Industrial Strategy.

Government's 10-Year Plan to drive growth

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Here's what you need to know.

The Government has today (23rd June) published its Industrial Strategy. This highlights eight key, high-growth sectors across the economy, and outlines measures that are being taken to give these industries, and specific sub-sectors, the support to thrive.

Following the 'Invest 2035' Green Paper towards the end of 2024, the Government has been consulting with business on the measures needed to achieve the right growth in the right places. The Industrial Strategy is "unashamedly place-based" with the Government not wanting to leave behind areas, whilst noting that "the rising tide must lift all boats, throughout the country".

This Strategy is the latest landmark document to follow the Spending Review (11th June), after the 10-Year Infrastructure Strategy last week (19th June) and ahead of the National Security Strategy (expected imminently), 10-Year Health Plan (expected next week) and the Trade Strategy later this Summer. The document paid particular attention to the freight and logistics sector - noting that Government is working on a new plan for the sector which will be ready later this year.

> "It will create the wealth, jobs and growth we need in every community. A plan that backs Britain's wealth creators. And in partnership with them, we will get Britain's future back."
>
> \- Prime Minister, Keir Starmer

Each of the sectors identified have been given ambitions set to be achieved by 2035, with regional clusters, as well as implementation plans on working with regional government and industry. All of the sectors also have 'frontier' sub-sectors, which have been further identified as industries with the greatest growth potential.

Whilst the whole document has been overshadowed somewhat by foreign policy, the announcement which has made that had the biggest media attention was the reduction of industrial electricity prices. The reduction of this key business cost is something that industry had been calling out for in order to make British industry more competitive with Europe and was seen as a hamstringing of the British economy. The reduction in energy prices for business has been committed to without passing the cost onto the taxpayer. But the reduction is intended to be paid for by rolling back green levies - opening up the Government to criticism on Net Zero from the opposition.

Outside of the eight growth sectors, the document also highlights responsibilities and role of every industry in the UK. Whilst referring how growth from the eight sectors can spill over into other sectors, it also references the challenges faced such as planning delays. To tackle these, the Government has introduced a new £600million Strategic Sites Accelerator, which will attract investment into Industrial Strategy Zones (Investment Zones and Freeports).

Contents.

The Industrial Strategy can be read in full here. The Government's detailed Sector Plans can be found here.

At present, the Government has published five of the Sector Plans, with Life Sciences, Defence and Financial Services to follow. All eight foundational sectors include:

1. Advanced Manufacturing
2. Clean Energy Industries
3. Digital and Technologies
4. Professional and Business Services
5. Life Sciences
6. Defence
7. Creative Industries
8. Financial Services

Promoting Industrial Decarbonisation.

To drive industrial competitiveness across all sectors, energy security, and decarbonisation, the Government is committing to a range of targeted measures that will lower electricity costs, improve grid access, reform market structures, and strengthen international cooperation.

- **A new British Industrial Competitiveness Scheme** will reduce electricity costs by ~£35–40/MWh from 2027 to 2030 for key manufacturing sectors. Additional support will be provided through an uplift in the Network Charging Compensation scheme and continuation of the Energy-Intensive Industries Compensation Scheme, all funded through lower levies and enhanced carbon pricing.
- The Government will launch **a call for evidence to improve the CPPA market**, aiming to offer more stable long-term electricity prices and alternative market routes for low-carbon generators.
- **A new Connections Accelerator Service will be launched** by the end of 2025. Legislative changes will enable the prioritisation of key projects.
- **Ofgem will review and improve the grid connection process** while working to accelerate infrastructure build times with over £60 billion proposed investment.
- **The Government will soon conclude the policy phase of the REMA**, weighing zonal vs national pricing.
- Investor confidence will be maintained through **consistent treatment of upcoming Contracts for Difference**, ensuring a stable transition if zonal pricing is introduced.
- From January 2027, **the UK will introduce a Carbon Border Adjustment Mechanism (CBAM) to ensure imported carbon-intensive goods face equivalent carbon pricing**, supporting domestic decarbonisation and preventing emissions displacement.
- **The Government will explore participation in the EU internal electricity market and continue collaboration on energy technologies.** Plans include working towards linking the UK and EU Emissions Trading Schemes to potentially allow CBAM exemptions.

Advanced Manufacturing.

The Government has set a clear ambition to make the UK the best place in the world to start, grow, and invest in Advanced Manufacturing by 2035. The Government aims to nearly double annual business investment in advanced manufacturing from £21 billion to £39 billion by 2035, positioning the sector as a key driver of long-term economic competitiveness. Recognising that the sector is increasingly exposed to global challenges - such as geopolitical instability, protectionism, technological rivalry, and energy market volatility - the Government is committed to building greater resilience.

Their focus will be on scaling frontier manufacturing sectors where the UK has existing strengths and global potential, specifically: **automotive, batteries, aerospace, space, advanced materials, and agri-tech.** Clusters of Advanced Manufacturing excellence will be supported across the UK, with 84% of sector jobs already located outside London and the South East. The Government will work with Mayoral Combined Authorities and local authorities to support electric vehicle manufacturing, including pilot initiatives in the North East and West Midlands to create blueprints for wider regional cluster development.

Reforming the business environment

- **The Government will reduce electricity costs for energy-intensive manufacturers** by enhancing discounts through the British Industry Supercharger and introducing a new British Industrial Competitiveness Scheme for specific manufacturing industries.
- **Supply chains will be strengthened through targeted support for foundational industries**, including a £1 billion Steel Strategy to be launched in Summer 2025, and an upgrade to the Critical Minerals Intelligence Centre to improve forward-looking capabilities.
- **Up to £4.3 billion will be committed to support the Advanced Manufacturing sector**, including up to £2.8 billion for R&D programmes over the next five years to drive innovation and commercialisation.
- **The uptake of industrial robotics and lean processes will be accelerated** through an expanded Made Smarter Adoption programme for SMEs and £40 million of initial funding for a new UK-wide network of Robotics Adoption Hubs.
- **The sector's skills base will be strengthened through wider reforms to the skills system** in England and the launch of a dedicated Upskilling and Reskilling Programme tailored to the needs of Advanced Manufacturing businesses, with a focus on short, high-impact courses.
- **Regulatory changes will be made to support frontier industries, including the full implementation of the Automated Vehicles Act** and providing a clear route to market for new technologies such as delivery robots.

Partnering with industry to implement the Plan

The Government will partner with industry through matched funding commitments and joint advisory groups such as the Automotive Council, UK Battery Strategy Taskforce, and Space Industry Advisory Group to ensure effective implementation of the Advanced Manufacturing strategy.

The Government's detailed sector plan for advanced manufacturing can be found here.

Clean Energy Industries.

The Government is committed to establishing the UK as the world's leading destination for investment in Clean Energy Industries by 2035. Delivering on this ambition will require a stable policy environment, targeted public investment, and close partnership with industry to unlock early-stage innovation and scale up new technologies. The Government aims to at least double annual investment in clean energy to over £30 billion by 2035, positioning the sector at the heart of long-term economic and energy security.

The Government acknowledges that investors are poised to expand their presence in the UK, but require greater policy certainty, market stability, and public co-investment to de-risk emerging technologies and supply chains. Support will be focused on high-growth, frontier clean energy sectors where the UK holds a comparative advantage, including **wind (onshore, offshore, and floating), nuclear fission, fusion energy, carbon capture and storage (CCUS), hydrogen, and heat pumps**. Delivery will be through close partnership between Government, industry, and trade unions.

Reforming the business environment

- **The Government will reform the planning system through the Planning & Infrastructure Bill** and revised National Policy Statements to accelerate delivery of essential infrastructure including ports, roads, rail, and grid connections.
- **Clean energy supply chains will be strengthened through targeted public funding**, including a new £1 billion Clean Energy Supply Chain Fund, with £300 million earmarked for offshore wind.
- Proactively bring forward more investible sites across the UK through a new £600 million **Strategic Sites Accelerator**.
- Catalytic funding will include:
    - £544 million Clean Industry Bonus for offshore wind developers.
    - £14.2 billion for Sizewell C and over £2.5 billion for Small Modular Reactors.
    - £2.5 billion for fusion energy over the next five years.
    - £9.4 billion in capital budgets to support CCUS projects up to 2029.
    - £13.2 billion through the Warm Homes Plan, alongside additional support through an additional round of the Heat Pump Investment Accelerator Competition.
- **The clean energy workforce will be expanded through a forthcoming Clean Energy Workforce Strategy**, focused on delivering high-quality jobs with fair pay, strong union recognition, and good working conditions.
- **International collaboration will be strengthened**, including through UK Export Finance's ambition to deliver £10 billion in clean growth finance between 2024–2029 and leadership of the new Global Clean Power Alliance.

The Government's detailed sector plan for the clean energy industries can be found here.

Digital and Technologies.

The Government sees the tech sector, and particularly AI, as a way of stimulating the growth and productivity gains needed across the wider economy, noting that increased productivity from tech adoption has the potential to increase real GDP by 8% in 2035, with AI technologies alone contributing 3%.

The Government's aim is for the UK to be one of the top three places in the world to create, invest in and scale-up a fast-growing technology business by 2035. Government will also aim to secure the UK's first trillion-dollar technology business. Clusters to create jobs and opportunities will be concentrated in cities across the UK, including Glasgow, Edinburgh, Cardiff, Birmingham, Bristol, Oxford, and London.

The Sector Plan focuses on six frontier technologies: **Advanced connectivity technologies (ACT), Artificial intelligence (AI), Cyber Security, Engineering biology, Quantum technologies and Semiconductors.**

Reforming the business environment

- Boosting Research and Development (R&D) investment, with the aim of the **UK to be the leading European hub to create, invest in, and scale fast growing Digital and Technology businesses**, with £3 of private R&D investment in the sector for every £1 of public R&D funding following the Spending Review which confirmed 10-year R&D budgets, which would increase to £22.6 billion a year in 2029/30.
- **Increasing access to finance through the British Business Bank**, reform of public markets and the pensions system.
- Creating a skilled workforce by:
    - **Investing in Technical Excellence Colleges**, to provide additional training to skilled professionals in areas that "local economies need" like AI and IT systems.
    - **Launching a new Global Talent Taskforce and Fund** to attract world-class talent to the UK.
    - **Introducing short courses in England**, funded through the Growth and Skills Levy, in areas such as digital, AI, and engineering.
- Enhancing infrastructure by:
    - **Introducing a Connections Accelerator Service** to enhance support for high-demand infrastructure projects..
    - **Refreshing of the Nationally Significant Infrastructure Projects (NSIPs) regime**, including legislative changes to allow a broader range of developments—such as data centres—to be eligible for inclusion under the NSIP framework.
- Delivering pro-innovation regulation by:
    - **Commissioning the Regulatory Horizons Council** to develop a framework to help regulators take more proportionate risks when regulating technologies and innovation.
    - **Developing and implementing a Digital Standards Strategy** to improve coordination.
- Strengthening international partnerships, such as closer collaboration with the US under a future technology partnership.

Partnering with industry to implement the Plan

- Promote collaboration between industry and academia to tackle real-world challenges by significantly expanding the AI Research Resource—a supercomputing cluster—by at least 20 times by 2030, and launching a new R&D Missions Accelerator Programme backed by £500 million in funding.
- Drive innovation-led growth across the UK through the Local Innovation Partnerships Fund, which will invest up to £500 million to develop high-potential innovation clusters. The fund aims to attract £1 billion in co-investment and deliver £700 million in added value to local economies.
- Innovate UK, the UK's innovation agency, will take a leading role in fast-tracking the commercialisation of emerging technologies. The Catapult Network, funded by Innovate UK, will also be aligned with the goals of the Industrial Strategy.
- As well as the above, through the Quantum Strategic Advisory Board, AI Energy Council, and Cyber Growth Partnership.

The Government's detailed sector plan for the digital and technologies can be found here.

Professional and Business Services.

The Government recognises the Professional and Business Services sector (PBS) as one of the UK's real strengths, which it is well placed to capitalise on and continue to grow. However, there's an acknowledgement from Government that the PBS economy in the country is among the most exposed to automation and AI, and new skills are essential for further growth.

The goal of the Government is that, by 2035, the UK will be the world's most trusted adviser to global industry, with the most dynamic and productive PBS sector. Also, Government wants to have doubled business investment in the sector from £30 billion to £65 billion by 2035.

Reforming the business environment

- **Increase tech adoption and innovation building on higher levels of AI adoption** than in the rest of the economy, whilst addressing the gap between larger firms and the rest of the sector, measured by the percentage of firms classed as innovation active. This Summer the Government will launch the new AI Skills Hub and appoint an AI Champion for the PBS sector from industry to champion the adoption of AI.
- **Collaborate with regulators to advance digital and regulatory sandboxes**, enabling joint efforts between regulators, developers, and technology providers to overcome regulatory barriers and accelerate the deployment of emerging technologies.
- **Develop a highly skilled workforce by partnering with businesses to enhance staff training and reskilling**, with a strong focus on specialist skills in digital technologies, the net zero transition, and cybersecurity.
- Promote exports, trade, and inward investment through targeted actions, including:
  - **Securing mutual recognition agreements for professional qualifications**, with dedicated support for regulators.
  - **Expanding access to UK Export Finance's Early Project Services Guarantee**, offering competitive financing to help international buyers procure early-stage services from UK firms.
  - **Redirecting resources within the Government's overseas network to support UK businesses aiming to export or grow internationally**, as well as to attract international companies to the UK.
- **Ensure access to growth finance across all UK regions**, with increased early-stage support to help businesses raise capital and attract inward investment.

Realising the potential of PBS clusters

- The Government will be launching **five new PBS Hubs**, which will be centres of national excellence, in Liverpool City Region, Greater Manchester, West Yorkshire, West Midlands and Edinburgh-Glasgow Central Belt, by working with the Mayoral Combined Authorities and the Scottish Government.
- Each Hub will be tailored to local priorities, whether that's accelerating the growth of emerging technology sectors or connecting businesses with potential investors.
- The Professional and Business Services Council (PBSC) – which consists of around 50 of the key corporates and professional bodies from across the sector – and Mayoral Combined Authorities have agreed to pilot a voluntary 'regional secondment scheme' in these PBS Hub locations to help high-potential scale-up firms to access local PBS expertise.

Life Sciences.

The Government highlights the proud history and heritage that the UK has in Life Sciences, but in recent decades, companies have struggled scale and capture the relevant economic benefits, pointing towards the slower time for setting up and approving commercial trials compared to competitors.

The plan for the sector – although there is no specific dedicated Sector Plan like other growth sectors - is to be aligned with the 10-Year Health Plan, which is expected to be published next week (w/c 30th June).

The goal of the Government by 2030, that the UK is the leading Life Sciences economy in Europe; and by 2035, the third most important Life Sciences economy globally, after the US and China.

The frontier industries identified with the highest growth potential were pharmaceuticals and Medical Technologies (MedTech). The clusters include London, Oxford, Cambridge, as well as Manchester, Liverpool, Yorkshire, South Wales, the North East, West Midlands, and the Glasgow-Edinburgh-Dundee triangle.

Reforming the business, regulatory, and public finance landscape

- Supporting R&D through large-scale public investment in discovery research, reducing bureaucracy, improving data access, and strengthening strategic coordination among UK health and life sciences research funders. Key investments include:
    - Up to £600 million co-invested with the Wellcome Trust in the Health Data Research Service
    - Over £650 million over five years for Genomics England
    - Up to £354 million for the Our Future Health programme
    - At least £30 million for preclinical infrastructure supporting translational research networks
    - Up to £20 million for the UK BioBank
- Cutting trial approval times to under 150 days by implementing the O'Shaughnessy reforms and placing a dual health and growth mandate on the National Institute for Health and Care Research (NIHR)
- Simplify regulation and improve market access by supporting the Medicines and Healthcare products Regulatory Agency (MHRA) to become a faster, more responsive, and adaptable regulator.
- Collaborate with industry to drive growth and innovation, securing "at least one major strategic partnership" each year with leading Life Sciences companies. A dedicated support service will also be launched to help 10–20 high-potential UK firms scale up, attract investment, remain competitive and based in the UK.
- In line with the 10-Year Health Plan - expected to be published next week (w/c 30th June) – the aim is to advance health innovation and reform the NHS to give patients faster access to the most effective new technologies. This will be supported by incentives and greater operational flexibility to foster innovation, while enabling a shift from treatment to prevention, from hospital-based care to community settings, and from analogue to digital.

Defence.

The Government sees the defence sector as central to both national security and economic growth, with a clear ambition to transform the UK into a global defence industrial superpower. This transformation will be driven by record levels of investment, technological leadership, and deepened collaboration with industry, the Armed Forces, and workers.

The Strategic Defence Review recently set out a vision for the UK to become a leading tech-enabled defence power by 2035, operating as an Integrated Force that innovates at “wartime pace” to deter, fight, and win. Defence investment is set to rise to 2.6% of GDP by 2027, with an ambition to reach 3% in the next Parliament.
The forthcoming Defence Industrial Strategy will focus on scaling frontier industries critical to national security and long-term economic resilience. This includes dual-use and enabling technologies such as advanced connectivity, AI, cyber, engineering biology, quantum technologies, semiconductors, and space.
In addition, priority will be given to cutting-edge defence capabilities where the UK already demonstrates global strengths: drones and autonomous systems, combat air, complex weapons, maritime capabilities, and directed energy weapons.

Reforming the business environment and accelerating innovation

- The MOD will allocate at least 10% of its equipment budget to novel and dual-use technologies such as drones and AI.
- UK Defence Innovation will be launched with a £400 million budget to fast-track cutting-edge technologies to the frontline and support the tech sector.
- A new alliance with the High Value Manufacturing Catapult will leverage its ‘world-leading’ R&D capabilities.
- The Government will back UK-based businesses, with a focus on SMEs and non-traditional suppliers, to build a dynamic, competitive defence marketplace.
- MOD spending with SMEs will increase by £2.5 billion by May 2028 - ensuring at least £7.5 billion of the MOD’s total budget is spent with SMEs in FY 2027/28, representing a 50% increase from 2023/24.
- The SME Support Centre will be deployed to boost opportunities for smaller firms and non-traditional suppliers to break into defence markets.
- Defence operational developments will benefit from fast-track planning processes when designated nationally important Crown Developments.
- Procurement processes will be overhauled to:
    - Engage industry earlier in programme design and set clearer outcome-based requirements.
    - Reward innovation, productivity, and risk-taking in contract awards.
    - Reduce bureaucratic burdens across the supplier base - from start-ups to major primes.
    - Introduce a segmented procurement timeline: major modular platforms (within 2 years), modular upgrades (within 1 year), and rapid commercial exploitation (within 3 months).
- A new Office for Defence Exports will be established to support UK businesses in securing international contracts and expanding into new markets. Export potential will be integrated into procurement decisions.

Supporting defence ecosystems across the UK

- New Defence Growth Deals will be launched across England, Scotland, Wales, and Northern Ireland to support local ecosystems with the highest growth potential in defence-related industries.
- The Government will work closely with local and devolved administrations to ensure alignment with national security priorities.

Partnering with industry to implement the Plan

- Collaboration with industry will deepen through the Defence Industrial Joint Council, with diverse membership including scale-ups and trade unions.
- The Government will work with industry to deliver a Defence skills package, including the creation of new Defence Technical Colleges and targeted funding to build a highly skilled workforce.
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Creative Industries.

The Government's ambition is to position the UK as the world's leading destination for investment in creativity and innovation by 2035. They recognise that this goal will require targeted action to address structural challenges and unlock the full growth potential of the UK's world-class creative sectors.

The Government aims to increase annual business investment in the creative industries from £17 billion to £31 billion by 2035, securing long-term competitiveness in a fast-evolving global market. They recognise the UK's established global strengths in content creation, public service media, and creative talent, but acknowledge ongoing barriers such as persistent skills shortages, limited access to finance for SMEs, and the need to adapt to transformative technologies such as artificial intelligence.

Strategic focus will be placed on high-growth frontier industries within the creative sector, including advertising and marketing, film and television, music, performing and visual arts, and video games.

Reforming the business environment

- Public and private R&D investment will be scaled up, including £100 million for the next wave of creative clusters and £25 million for the Creative Futures programme.
- Finance access for start-ups and scale-ups will be improved, alongside a new Creative Content Exchange to support commercialisation and licensing of digital assets.
- A refreshed UK-wide £9 million careers service, curriculum reforms in England, and investment in training institutions will help address skills gaps and support creative freelancers.
- A reformed copyright and AI framework is under development to protect human creativity while enabling innovation.
- The Government will set out a detailed economic impact assessment on all options under consideration and a report on the use of copyright material for AI training, transparency, and technical standards.
- Expert working groups from both AI and creative sectors will be established to address issues around transparency, licensing, and technical standards, informing the Government's final position.

Supporting creative clusters across the UK

- £150 million will be devolved to support regional creative growth, including a long-term £160 million commitment for the Tees Valley Creative Investment Zone.

Partnering with industry to implement the Plan

- Delivery will be through collaboration with industry, mayors, investors, and institutions, with targeted funding of £135 million for frontier sectors like film, music, and video games.

The Government's detailed sector plan for the creative industries can be found here.

Financial Services.

The Financial Services sector is one of the UK's largest, most well known and most productive industries, worth around 9% of total economic output. But the Government acknowledge this cannot be taken for granted in an ever more competitive international market. The Government's plans for this sector are around ensuring that the UK remains competitive, whilst upholding the highest standards.

The Government's ambition for this sector is for the UK to be the world's most innovative full-service financial centre. The Sector Plan has not been published but will come alongside the Chancellor's Mansion House speech on 15 July, and this will ensure that the regulatory system supports growth and will set up a 'concierge service' to help international firms understand UK regulations.

The frontier industries identified with the highest growth potential were Asset Management and Wholesale Services, Capital Markets, Fintech, Insurance and Reinsurance Markets and Sustainable Finance. The clusters include Greater London, Greater Manchester, the West Midlands, West Yorkshire, Glasgow, Cardiff, Edinburgh and Belfast.

Reforming the business and regulatory environment

- Channel pension 'megafunds' into the UK to support the other identified growth sectors, following the final report of the pensions investment review and introduction of the Pension Schemes Bill to create these megafunds,
- Boost capital markets following a comprehensive reform of the UK's listing regime, having aligned with international best practices, companies can now list more easily and raise capital more quickly and efficiently.
- Delivered the legislation for PISCES, a new type of stock exchange for companies who want to stay private for longer
- Streamlined the UK's financial services regulatory framework including integrating the Payment Systems Regulator primarily into the Financial Conduct Authority (FCA), reviewing the 'have regards' obligations of both the Prudential Regulation Authority (PRA) and FCA to identify opportunities for simplification, collaborating with the FCA to help early-stage innovative firms begin regulated activities, and conducting a broader review of the PRA and FCA's roles.

Partnering with industry to implement the Plan

- Delivery will be through a series of 'Industry Forums', covering the whole breadth of the sector, including banking, insurance, and asset management leaders.

View from Wales.

The Industrial Strategy gives Wales a more prominent role than previous UK-wide strategies, specifically recognising the nation's strengths in clean energy, advanced manufacturing, and semiconductors. While the language is undoubtedly positive about Wales, there will be concerns that this is not matched in concrete funding.

Business Secretary Jonathan Reynolds has said that the Strategy's eight key sectors already "mirror" the strengths of Wales's economy. Wales has a significant number of industries with high energy needs, and companies such as Tata Steel and Celsa will benefit from plans to slash electricity costs for the industry by 25%.

The Strategy commits to supporting the compound semiconductor cluster in South Wales through the creation of a new Centre for Doctoral Training led by Swansea University. Wales is also positioned as a key player in the clean energy transition, with investment opportunities in wind, hydrogen, and nuclear energy. Notably, the Strategy highlights Airbus's operations in Broughton as an anchor for aerospace innovation that will link the two centres of excellence in Advanced Manufacturing in Wrexham and Merseyside. A Welsh-specific Defence growth deal will also be launched, as well as one for Scotland and Northern Ireland.

The Strategy's Local Innovation Partnerships Fund, which will support the growth of high-potential innovation clusters across the country, earmarks £30 million for Wales. While the UK Government has made a key pledge to new skills packages across the UK, Business Secretary Jonathan Reynolds has said that how Wales allocates this funding will be up to the Welsh Government.

Wales will also be eligible for a share of the £600m Strategic Sites Accelerator, which aims to bring investment-ready sites to market faster, the £150 million Creative Places Growth Fund and the £4.3bn Advanced Manufacturing sector funding. Wrexham and Flintshire are named as one of the Industrial Strategy zones, with access to a share of £160m over 10 years.

View from Scotland.

The Secretary of State for Scotland, Ian Murray MP, said that the Industrial Strategy will deliver "tens of thousands of jobs in Scotland." The Scottish Government expressed its disappointment with the recent Spending Review allocations to the funding package for Scotland in 2026-27. However, the UK Government's announcement of a £56 million Medicines Manufacturing Innovation Centre in Glasgow has been welcomed alongside a £4.5 million full fibre broadband outrolling programme for the Highlands.

The Scottish Government is continuing negotiations with the UK Government for an Offshore Wind Sector Deal in Aberdeen and a conclusion to the Acorn Project at Grangemouth. The SNP-led administration at Holyrood will hope to secure a positive outcome to these negotiations prior to the 2026 Scottish Parliament elections next May.

View from Northern Ireland.

The Industrial Strategy doesn't support any specific recommendations or proposals for Northern Ireland. The Enhanced Investment Zone, agreed under the DUP deal to return to the Northern Ireland Executive in February 2024, will be funded with £150 million to support its development.

The Minister for the Economy, Dr Caoimhe Archibald, said upon the publication of the strategy that:

"My aim is to create a regionally balanced, net zero, highly productive economy that provides people with Good Jobs. The Enhanced Investment Zone can contribute to these objectives, particularly in terms of its focus on productivity. Good progress is being made on the development of the Enhanced Investment Zone, and recent engagement with the industry and sector experts will ensure that the opportunity to unlock potential is matched by significant private sector investment. I

look forward to the successful implementation of the Enhanced Investment Zone and the positive contribution it will make to our prosperity."

Reaction.

Politicians

Liberal Democrat Business Spokesperson Sarah Olney said: Government plans *"must contain real solutions to bring down businesses' sky-high energy costs and upskill workers around the country"*, and Ministers must ensure small businesses *"are right at the heart"* of measures.

Shadow Secretary of State for Business and Trade Andrew Griffith said: *"160 pages of civil service speak won't undo the terrible damage Labour have done to the economy. Business creates growth, not Whitehall. The best industrial strategy they can put forward is to scrap the Jobs Tax, drop the (Un)employment Bill, and sack Ed Miliband."*

Acting Shadow Secretary of State Andrew Bowie said: *"It is astonishing that Labour are finally admitting that the costs of Net Zero are so high that they're having to spend billions of pounds of taxpayers' money subsidising businesses' energy bills to stop them going bust."*

Industry

- CBI's Chief Executive Rain Newton-Smith said: "*…competitive energy prices, fast-tracked planning decisions and backing innovation will provide a bedrock for growth. But the global race to attract investment will require a laser-like and unwavering focus on the UK's overall competitiveness."*

- Make UK's Chief Executive Stephen Phipson said: "*The strategy announced today sets out plans to address all three of these structural failings…Clearly there is much to do as we move towards implementation, but this will send a message across the country and around the world that Britain is back in business."*

- UK Steel's Director General Gareth Stace said: "*The Industrial Strategy is a step in the right direction towards competitive electricity prices and a better, more effective business landscape, but we are climbing slowly up the foothills of the mountain we need to climb. This is an important milestone, but we are not out of the trenches yet. The Industrial Strategy must be the first of many changes if we are to fully unlock the potential of the UK steel industry to back the growth and stability of our economy."*

- RIA's CEO Darren Caplan said: *"Whilst there is some mention in the Industrial Strategy for rail – and we and our members welcome the direction of the Government's recent Spending Review and Infrastructure Strategy when it comes to large rail projects – we remain concerned that this Strategy does not include transport and rail as significant enablers to growth, either for the eight specific sectors mentioned or for UK industry and the economy more widely."*

- UKHospitality's Chief Executive Kate Nicholls said: *"We were desperate to see a plan for hospitality and the High Street, which together employs over 7 million people. We were disappointed…How can national renewal be properly delivered if 70% of the economy is excluded from the government's flagship plan for growth?"*

- **A joint statement of endorsement has been issued on behalf of:**
    - Shevaun Haviland, Director General, British Chambers of Commerce
    - Rain Newton-Smith, Director General, Confederation of British Industry
    - Aaron Asadi, Chief Executive Officer, Enterprise Nation
    - Tina McKenzie, Policy and Advocacy Chair, Federation of Small Businesses
    - Stephen Phipson, Chief Executive Officer, Make UK
    - Michelle Ovens, Founder, Small Business Britain
    - Dom Hallas, Executive Director, Startup Coalition

Unions

TUC's General Secretary Paul Nowak welcomed action *"to reduce sky-high energy costs for manufacturers"*. He said: *"For too long, UK industry has been hamstrung by energy prices far above those in France and Germany. It's made it harder to compete, invest, and grow."*

GMB's General Secretary Gary Smith said: *"This is a big step forward. Businesses across the country were left to wither and die as Conservative governments failed to deliver an industrial strategy for the UK. We particularly welcome action on the number one issue facing UK manufacturers – rocketing energy costs. This is a great opportunity to rebuild our industry, save iconic homegrown sectors like our potteries, and bring good jobs home. As ever, the devil will be in the detail, but at long last we have a grown-up strategy that will allow industry to thrive."*